



Tourism Committee

**Tuesday, March 21, 2006
2:15 PM
306 HOB**

Committee Action

**Allan G. Bense
Speaker**

**Rep. Nancy Detert
Chair**

COMMITTEE MEETING REPORT

Tourism Committee

3/21/2006 2:15:00PM

Location: 306 HOB

Attendance:

| | <i>Present</i> | <i>Absent</i> | <i>Excused</i> |
|----------------------|----------------|---------------|----------------|
| Nancy Detert (Chair) | X | | |
| Thomas Anderson | X | | |
| Bruce Antone | X | | |
| Edward Bullard | X | | |
| Don Davis | X | | |
| Rene Garcia | X | | |
| Hugh Gibson | X | | |
| Sheri McInvale | X | | |
| Totals: | 8 | 0 | 0 |

COMMITTEE MEETING REPORT

Tourism Committee

3/21/2006 2:15:00PM

Location: 306 HOB

HB 925 : Pinellas County Tourist Development Council, Pinellas County

☒ Favorable

| | Yea | Nay | No Vote | Absentee Yea | Absentee Nay |
|----------------------------------|-----|-----|---------|-----------------|-----------------|
| Thomas Anderson | X | | | | |
| Bruce Antone | X | | | | |
| Edward Bullard | X | | | | |
| Don Davis | | | X | | |
| Rene Garcia | | | X | | |
| Hugh Gibson | | | X | | |
| Sheri McInvale | X | | | | |
| Nancy Detert (Chair) | X | | | | |
| Total Yeas: 5 Total Nays: 0 | | | | | |

COMMITTEE MEETING REPORT

Tourism Committee

3/21/2006 2:15:00PM

Location: 306 HOB

HB 1321 : Entertainment Industry Economic Development

☒ Favorable With Committee Substitute

| | Yea | Nay | No Vote | Absentee Yea | Absentee Nay |
|----------------------|-----|---------------|---------|-----------------|-----------------|
| Thomas Anderson | X | | | | |
| Bruce Antone | X | | | | |
| Edward Bullard | X | | | | |
| Don Davis | X | | | | |
| Rene Garcia | X | | | | |
| Hugh Gibson | X | | | | |
| Sheri McInvale | X | | | | |
| Nancy Detert (Chair) | X | | | | |
| Total Yeas: 8 | | Total Nays: 0 | | | |

Appearances:

Paul Sirmons, State Film Commissioner (Lobbyist) (State Employee) - Proponent
Office of Film & Entertainment
Suite 2002, The Capitol
Tallahassee Florida
Phone: 850-410-4765

Film & Television Tax Incentives
Dick Renick - Proponent
8001 S.W. 135th Street
Miami Florida 33156
Phone: 305-235-2145

Entertainment Industry Financial Incentive
Krista Soroka - Proponent
Tampa Bay Film Commission
400 N. Tampa Street, #2800
Tampa Florida 33611
Phone: 813-223-1111

Support of Film Incentives Bill
Greg Kasper - Proponent
Florida Film Technicians Union (IATSE #477)
10705 N.W. 33 Street
Miami Florida 33172
Phone: 305-594-8585

Economic Benefit of HB 1321
Jack R. Nealy - Proponent
IATSE Filmmakers
18913 Starcrest Lane
Clermont Florida 34715
Phone: 352-409-2129

COMMITTEE MEETING REPORT

Tourism Committee

3/21/2006 2:15:00PM

Location: 306 HOB

Film & TV Incentives

Joe Humphries - Proponent

Film Florida

3328 Bridgeford Drive

Orlando Florida 32812

Phone: 407-249-0151

Amendments

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. 1321

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ ☒ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Tourism Committee

Representative Davis offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Paragraph (r) is added to subsection (5) of section 212.08, Florida Statutes, to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.--The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(5) EXEMPTIONS; ACCOUNT OF USE.--

(r) Entertainment industry tax credits; authorization; eligibility for credits.--Beginning July 1, 2006, any company engaged in this state in producing filmed entertainment, that has registered with the department under s. 212.08 to collect or remit sales or use tax and has satisfied the requirements enumerated in and has received credits under s. 220.192, may use

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22 the award of credits against the tax imposed by this chapter as
23 provided by this section.

24 1.The credit shall be granted as a refund against state
25 sales and use taxes reported on returns and remitted in the 12
26 months preceding the date of application to the department for
27 the credit.

28 2. No company may be awarded more than \$2 million in tax
29 credits under this section and s. 220.192, unless the production
30 is a high-impact television series as defined in s.
31 220.192(2)(b) in which case the production shall be eligible for
32 a maximum tax credit award of \$3 million.

33 3. The total amount of tax credits which may be granted
34 for all programs approved under this paragraph and s. 220.192 is
35 \$25 million in any state fiscal year.

36 4. A company may use the tax credit against the tax
37 liability imposed under this chapter, in whole or in part, and
38 against the liability imposed under chapter 220, so long as the
39 credit is actually applied only once.

40 5. The department may adopt rules to administer this
41 paragraph, as provided by s. 220.192(6)(b).

42 Section 2. Subsection (8) of section 220.02, Florida
43 Statutes, is amended to read:

44 220.02 Legislative intent.--

45 (8) It is the intent of the Legislature that credits
46 against either the corporate income tax or the franchise tax be
47 applied in the following order: those enumerated in s. 631.828,
48 those enumerated in s. 220.191, those enumerated in s. 220.181,
49 those enumerated in s. 220.183, those enumerated in s. 220.182,
50 those enumerated in s. 220.1895, those enumerated in s. 221.02,
51 those enumerated in s. 220.184, those enumerated in s. 220.186,

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those enumerated in s. 220.1845, those enumerated in s. 220.19,
those enumerated in s. 220.185, ~~and~~ those enumerated in s.
220.187, and those enumerated in s. 220.192.

Section 3. Section 288.1254, Florida Statutes, is
transferred and renumbered as section 220.192, Florida Statutes,
and amended to read:

220.192 ~~288.1254~~ Entertainment industry financial
incentive program; creation; purpose; definitions; application
procedure; approval process; ~~reimbursement~~ eligibility;
submission of required documentation; recommendations for credit
award payment; policies and procedures; fraudulent claims.--

(1) CREATION AND PURPOSE OF PROGRAM.--~~Subject to specific~~
~~appropriation,~~ There is created within the Office of Film and
Entertainment an entertainment industry financial incentive
program. The purpose of this program is to encourage the use of
this state as a site for filming and developing and sustaining
the workforce and infrastructure ~~providing production services~~
for filmed entertainment.

(2) DEFINITIONS.--As used in this section, the term:

(a) "Filmed entertainment" means a theatrical or direct-
to-video motion picture, a made-for-television motion picture
teleproduction, a commercial, a music video, an industrial or
educational film, a promotional video or film, a documentary
film, a television pilot, a presentation for a television pilot,
a television special, a television series, including, but not
limited to, a drama, a reality, a comedy, a soap opera, a
telenovela, a game show, and a miniseries production, or a
digital-media-effects production by the entertainment industry
to be sold or displayed in an electronic medium, excluding news
shows and sporting events. As used in this paragraph, the term

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82 "motion picture" means a motion picture made on or by film,
83 tape, or otherwise and produced by means of a motion picture
84 camera, electronic camera or device, tape device, any
85 combination of the foregoing, or any other means, method, or
86 device now used or which may hereafter be adopted. As used in
87 this paragraph, the term "digital-media-effects" means visual
88 elements created through the modification of already existing or
89 newly created visual elements for film, video, or animated media
90 through the use of digital 2D/4D animation or painting, motion
91 capture, or compositing technologies. ~~For purposes of this~~
92 ~~section, the term "filmed entertainment" does not include the~~
93 ~~electronic gaming industry or sporting events.~~

94 (b) "High-impact television series" means a production
95 created to run multiple production seasons with an estimated
96 order of at least seven episodes per season and qualified
97 expenditures of at least \$625,000 per episode.

98 (c) (b) "Production costs" means the costs of real,
99 tangible, and intangible property used and services performed
100 primarily or customarily in the production, including
101 preproduction and postproduction, of qualified filmed
102 entertainment. Production costs generally include, but are not
103 limited to:

104 1. Wages, salaries, or other compensation, including
105 amounts paid through payroll service companies, for technical
106 and production crews, directors, producers, and performers who
107 are residents of this state.

108 2. Expenditures for sound stages, backlots, production
109 editing, digital effects, sound recordings, sets, and set
110 construction.

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111 3. Expenditures for rental equipment, including, but not
112 limited to, cameras and grip or electrical equipment.

113 4. Expenditures for meals, travel, and accommodations, ~~and~~
114 ~~goods~~ used in producing filmed entertainment ~~that is located and~~
115 ~~doing business in this state.~~

116 5. Expenditures for goods and services used in producing
117 filmed entertainment.

118 ~~(d)(e)~~ "Qualified expenditures" means production costs
119 incurred in this state within the current state fiscal year for
120 goods purchased or leased from or services provided by
121 ~~purchased, leased, or employed from a resident of this state or~~
122 ~~a vendor or supplier who is located and doing business in this~~
123 ~~state, or payments to employees of the production of filmed~~
124 entertainment in this state who are residents of this state but
125 excluding wages, salaries, and or other compensation paid to the
126 two highest-paid employees of the production who are residents
127 of the state.

128 ~~(e)(d)~~ "Qualified production" means filmed entertainment
129 that meets or exceeds minimum makes qualified expenditures
130 required in this state for the total or partial production of
131 filmed entertainment. Productions that are deemed by the Office
132 of Film and Entertainment to contain obscene content, as defined
133 by the United States Supreme Court, are not qualified
134 productions. ~~Also, a production is not a qualified production if~~
135 ~~it is determined that the first day of principal photography in~~
136 ~~this state occurred on or before the date of submitting its~~
137 ~~application to the Office of Film and Entertainment or prior to~~
138 ~~certification by the Office of Tourism, Trade, and Economic~~
139 ~~Development.~~

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140 ~~(f)(e)~~ "Qualified production company relocation project"
141 means a corporation, limited liability company, partnership,
142 ~~corporate headquarters,~~ or other legal private entity engaged in
143 production of filmed entertainment that is domiciled in another
144 ~~state or country and relocates its operations to this state, is~~
145 ~~organized under the laws of this or any other state or country,~~
146 ~~and includes as one of its primary purposes digital media-~~
147 ~~effects or motion picture and television production, or~~
148 ~~postproduction.~~

149 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.--

150 (a) Any company engaged in this state in producing filmed
151 entertainment may submit an application to the Office of Film
152 and Entertainment for the purpose of determining qualification
153 for an award of credits against the tax imposed by this chapter
154 ~~as receipt of reimbursement~~ provided in this section. The Office
155 of Film and Entertainment ~~office~~ must be provided information
156 required to determine if the production is a qualified
157 production and to determine the qualified expenditures,
158 production costs, and other information necessary for the office
159 to determine ~~both~~ eligibility for the tax credit ~~and level of~~
160 ~~reimbursement.~~

161 ~~(b) A digital media effects company in the state which~~
162 ~~furnishes digital material to filmed entertainment may submit an~~
163 ~~application to the Office of Film and Entertainment for the~~
164 ~~purpose of determining qualification for receipt of~~
165 ~~reimbursement authorized by this section. The office must be~~
166 ~~provided information required to determine if the company is~~
167 ~~qualified and to determine the amount of reimbursement.~~

168 ~~(c) Any corporation, limited liability company,~~
169 ~~partnership, corporate headquarters, or other private entity~~

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170 ~~domiciled in another state which includes as one of its primary~~
171 ~~purposes digital media effects or motion picture and television~~
172 ~~production and which is considering relocation to this state may~~
173 ~~submit an application to the Office of Film and Entertainment~~
174 ~~for the purpose of determining qualification for reimbursement~~
175 ~~under this section.~~

176 ~~(d)1. The Office of Film and Entertainment shall establish~~
177 ~~a process by which an application is accepted and reviewed and~~
178 ~~reimbursement eligibility and reimbursement amount are~~
179 ~~determined. The Office of Film and Entertainment may request~~
180 ~~assistance from a duly appointed local film commission in~~
181 ~~determining qualifications for reimbursement and compliance.~~

182 1.2. The Office of Film and Entertainment shall develop a
183 standardized application form for use in qualifying an applicant
184 as approving a qualified production, a qualified relocation
185 project, or a company qualifying under paragraph (a), paragraph
186 (b), or paragraph (c). The application form for qualifying an
187 applicant as a qualified production must include, but need not
188 be limited to, production-related information on employment,
189 proposed total production budgets, planned expenditures in this
190 state ~~which are intended for use exclusively as an integral part~~
191 ~~of preproduction, production, or postproduction activities~~
192 ~~engaged primarily in this state,~~ and a signed affirmation from
193 the applicant ~~Office of Film and Entertainment~~ that the
194 information on the application form has been verified and is
195 correct. The application form shall be distributed to applicants
196 by the Office of Film and Entertainment or local film
197 commissions.

198 2.3. Within 10 business days after receipt of an
199 application, the Office of Film and Entertainment shall review

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200 the application to determine if it contains all the information
201 required pursuant to this subsection and meets the criteria set
202 out in this section. The Office of Film and Entertainment shall
203 qualify all applications that contain the information and meet
204 the criteria set out in this section as eligible to receive a
205 tax credit, or shall notify the applicant that the requirements
206 for qualification have not been met. If the application is
207 qualified, the Office of Film and Entertainment shall recommend
208 approval of the maximum amount of the tax credit to be awarded
209 to the Office of Tourism, Trade and Economic Development ~~The~~
210 ~~Office of Film and Entertainment must complete its review of~~
211 ~~each application within 5 days after receipt of the completed~~
212 ~~application, including all required information, and it must~~
213 ~~notify the applicant of its determination within 10 business~~
214 ~~days after receipt of the completed application and required~~
215 ~~information.~~

216 3.4. Within 10 business days after receiving notice from
217 the Office of Film and Entertainment of qualification of an
218 applicant as a qualified production and recommended approval of
219 the maximum amount of tax credit to be awarded, the Office of
220 Tourism, Trade, and Economic Development shall certify the
221 maximum tax credit award, if any. The certification shall be
222 transmitted to the applicant and to the executive director of
223 the Department of Revenue. The applicant shall be responsible
224 for forwarding a certified application to the Department of
225 Revenue. ~~Upon determination that all criteria are met for~~
226 ~~qualification for reimbursement, The Office of Film and~~
227 ~~Entertainment shall notify the applicant of such approval. the~~
228 ~~office shall also notify the Office of Tourism, Trade, and~~
229 ~~Economic Development of the applicant approval and amount of~~

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reimbursement required. The Office of Tourism, Trade, and
Economic Development shall make final determination for actual
reimbursement.

4.5. The Office of Film and Entertainment shall deny an
application if it determines that:

a. The application is not complete or does not meet the
requirements of this section; or

b. The tax credit amount ~~reimbursement~~ sought does not
meet the requirements of this section ~~for such reimbursement~~.

(4) CREDIT REIMBURSEMENT ELIGIBILITY; SUBMISSION OF
REQUIRED DOCUMENTATION; APPLICATION RECOMMENDATIONS FOR TRANSFER
PAYMENT.--

(a) Tax Credit Award.--A production of filmed
entertainment that is qualified by the Office of Film and
Entertainment and is certified by the Office of Tourism, Trade,
and Economic Development is eligible for a tax credit for
~~reimbursement of up to~~ 15 percent of its qualified ~~qualifying~~
~~expenditures in this state on a filmed entertainment program~~
~~that demonstrates a minimum of \$850,000 in total qualified~~
~~expenditures for the entire run of the project, versus the~~
~~budget on a single episode, within the fiscal year from July 1~~
~~to June 30. However, the maximum reimbursement that may be made~~
~~with respect to any filmed entertainment program is \$2 million.~~
~~All reimbursements under this section are subject to~~
~~appropriation.~~

(b) Production spanning two fiscal years.--A qualified
production that starts in one fiscal year and finishes in the
next fiscal year shall have all qualified expenditures from both
fiscal years certified for the latter fiscal year. This does not

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259 apply to the commercials and music video queue described in
260 paragraph (d).

261 (c) Aggregate tax credit available.--The aggregate amount
262 of tax credits allowed under this section in any state fiscal
263 year is \$25 million. If the total amount of allocated tax
264 credits applied for in any state fiscal year exceeds the
265 aggregate amount of tax credits authorized annually under this
266 section, such excess shall be treated as having been applied for
267 on the first day of the next state fiscal year in which tax
268 credits remain available for allocation. Provided that in fiscal
269 year 2006-07, no more than an aggregate amount of \$100 million
270 in tax credits shall be allocated. In fiscal year 2007-08, the
271 aggregate allocations shall not exceed \$133 million. In fiscal
272 year 2008-09, the aggregate allocations shall not exceed \$166
273 million, and in fiscal year 2009-10 and thereafter, the
274 aggregate allocations shall not exceed \$200 million. At such
275 time as \$200 million of tax credits have been allocated, no
276 additional tax credits shall be allocated.

277 (d) Filmed entertainment queues.--Tax credits awarded
278 ~~Payments~~ under this section in a state fiscal year shall be made
279 to qualified productions according to a production's principal
280 photography start date, for those qualified productions having
281 entered into the first queue as cited in subparagraph 1. or the
282 second queue cited in subparagraph 2. within the first 2 weeks
283 after the queue's opening. All other qualified productions
284 entering into either queue after the initial 2-week openings
285 shall be on a first-come, first-served basis ~~until the~~
286 ~~appropriation for that fiscal year is exhausted. On February 1~~
287 ~~of each year, the remaining funds within both queues shall be~~
288 ~~combined into a single queue and distributed based on a~~

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289 ~~project's principal photography start date. The eligibility of~~
290 ~~qualified productions may not carry over from year to year, but~~
291 ~~such productions may reapply for eligibility under the~~
292 ~~guidelines established for doing so. The Office of Film and~~
293 ~~Entertainment shall develop a procedure to ensure that qualified~~
294 ~~productions continue on a reasonable schedule until completion.~~
295 ~~If a qualified production is not continued according to a~~
296 ~~reasonable schedule or the Office of Film and Entertainment is~~
297 ~~notified that a qualified production will no longer be produced,~~
298 ~~the office shall withdraw its eligibility and reallocate the~~
299 ~~funds to the next qualified productions already in the queue~~
300 ~~that have yet to receive their full maximum or 15 percent~~
301 ~~financial reimbursement, if they have not started principal~~
302 ~~photography by the time the funds become available.~~

303 1. Film, television, and episodic queue.--Theatrical or
304 direct-to-video motion pictures, made-for-television movies,
305 ~~commercials, music videos,~~ industrial and educational films,
306 promotional videos or films, documentary films, television
307 specials, television series, including, but not limited to,
308 miniseries and telenovelas, and digital-media-effects
309 productions by the entertainment industry to be sold or
310 displayed in an electronic medium that demonstrate a minimum of
311 \$625,000 in total qualified expenditures for the entire run of
312 the project, which, for a television series, means a season even
313 if the season is not completed in the same state fiscal year in
314 which principal photography began, shall have their own separate
315 queue established, and such queue shall have dedicated to it 60
316 percent of all available tax credits in any state fiscal year
317 for which this section applies ~~of the state incentive money. The~~
318 maximum tax credit award that may be made from this queue for

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319 any single production is \$2 million, unless the production is a
320 high-impact television series, in which case the production
321 shall be eligible for a maximum tax credit award of \$3 million,
322 provided such production meets the other criteria of this
323 section. On March 1 of each year, the remaining tax credits
324 within this queue shall be merged into a general queue and may
325 be used for other purposes of this section as determined by the
326 Office of Film and Entertainment. A television series, including
327 a qualified high-impact television series, is not eligible for a
328 tax credit award under this section after its fifth production
329 season. A qualified high-impact television series shall be
330 allowed first position in this queue for its first five
331 production seasons if the application is received by the Office
332 of Film and Entertainment within the first 2 weeks after the
333 queue's opening. A qualified high-impact television series must
334 file an application for each fiscal year in which it is eligible
335 to receive the credit, unless otherwise provided in this
336 section.

337 2. Television pilot queue.--Television pilots and,
338 presentations for television pilots for television series
339 intended to be shot in this state and, or television series,
340 including, but not limited to, drama, reality, comedy, soap
341 opera, telenovela, game show, or miniseries productions, by the
342 entertainment industry to be sold or displayed in an electronic
343 medium that demonstrate a minimum of \$625,000 in total qualified
344 expenditures for the pilot episode or presentation shall have
345 their own separate queue established, and such queue shall have
346 dedicated to it 20 40 percent of all available tax credits in
347 any given fiscal year for which this section applies of the
348 state incentive money. The maximum tax credit award that may be

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349 made from this queue for any single project is \$2 million. On
350 March 1 of each year, the remaining tax credits within this
351 queue shall be merged into a general queue and may be used for
352 other purposes of this section as determined by the Office of
353 Film and Entertainment.

354 3. Commercials and music video queue.--Commercials and
355 music videos by the entertainment industry to be sold or
356 displayed in an electronic medium that demonstrate a minimum of
357 \$500,000 in combined total qualified expenditures from a
358 production company during the state fiscal year with a minimum
359 of \$75,000 in qualified expenditures for each production shall
360 have their own separate queue established. Such queue shall have
361 dedicated to it 20 percent of available tax credits in any given
362 state fiscal year for which this section applies. The maximum
363 tax credit award that may be made from this queue for any single
364 production company is \$500,000 for a state fiscal year. On April
365 1 of each year, the remaining tax credits within this queue
366 shall be merged into a general queue and may be used for other
367 purposes of this section as determined by the Office of Film and
368 Entertainment.

369 (e) Loss of eligibility; reallocation of tax credits.--If
370 a qualified production is not continued according to a
371 reasonable schedule or the Office of Film and Entertainment is
372 notified that a qualified production will no longer be produced,
373 the Office of Film and Entertainment shall withdraw its
374 eligibility and reallocate the tax credits to the next qualified
375 productions already in the queue that have yet to receive their
376 full tax credit, if they have not started principal photography
377 by the time the tax credits become available.

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378 (f) Verification of tax credit award.--The Office of Film
379 and Entertainment shall develop a process by which a qualified
380 production that has been certified by the Office of Tourism,
381 Trade, and Economic Development, in a timely manner after
382 production ends and after making all of its qualified
383 expenditures, shall submit verifying data to the Office of Film
384 and Entertainment to substantiate each qualified expenditure.
385 The Office of Film and Entertainment shall report to the Office
386 of Tourism, Trade, and Economic Development the final verified
387 amount of actual qualified expenditures made by the qualified
388 production. The Office of Tourism, Trade, and Economic
389 Development shall then notify the executive director of the
390 Department of Revenue that the qualified production has met all
391 requirements of the incentive program and shall recommend the
392 final amount of the tax credit.

393 (g) ~~(b)~~ Use of tax credit; carry forward.--The tax credit
394 available under this section shall only be surrendered in
395 satisfaction of the tax owed by a qualified production company
396 under this chapter and only up to the face amount of the credit.
397 If the qualified production company cannot use the entire tax
398 credit in the state fiscal year in which the credit is approved,
399 any excess may be carried over to a succeeding state fiscal
400 year. A tax credit granted under this section and applied
401 against taxes imposed under this chapter may be carried forward
402 only for a maximum of 5 state fiscal years following the state
403 fiscal year in which the credit was approved. A digital media-
404 effects company in the state which furnishes digital material to
405 filmed entertainment may be eligible for a payment in an amount
406 not to exceed 5 percent of its annual gross revenues on
407 qualified expenditures as defined in paragraph (2)(c) before

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~~taxes or \$100,000, whichever is less. A company applying for payment must submit documentation annually as required by the Office of Film and Entertainment for determination of eligibility of claimed billing and determination of the amount of payment for which the company is eligible.~~

(h)(e) Transfer of tax credits.--Upon application to and approval by the Department of Revenue, a taxpayer may sell or assign, in whole or in part, a tax credit granted under this section. The sale or assignment of any amount of the tax credit shall not be exchanged for consideration received by the taxpayer of less than 85 percent of the transferred amount of tax credit. The purchaser or assignee shall surrender the tax credit in the state fiscal year acquired from the qualified production company and otherwise may carry the tax credit over subject to the same limitations on tax credit usage as the qualified production company awarded the tax credit. The purchaser may not sell, assign, or otherwise transfer the tax credit. No tax credits granted by this section may be sold or assigned, in whole or in part, until all credits the taxpayer is eligible to use under this chapter and chapter 212 are exhausted. The Department of Revenue may adopt rules to administer this paragraph, as provided in paragraph (6)(b). A
~~qualified relocation project that is certified by the Office of Film and Entertainment is eligible for a one-time incentive payment in an amount equal to 5 percent of its annual gross revenues before taxes for the first 12 months of conducting business in its Florida domicile or \$200,000, whichever is less. A company applying for payment must submit documentation as required by the Office of Film and Entertainment for determination of eligibility of claimed billing and~~

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~~determination of the amount of payment for which the company is eligible.~~

~~(i)(d) Non-corporation distribution of tax credits.--A~~
~~qualified production company that is not a corporation, as~~
~~defined in s. 220.03(1)(e), shall make an application, a~~
~~digital media effects company, or a qualified relocation project~~
~~applying for a payment under this section must submit~~
~~documentation for claimed qualified expenditures to the~~
~~Department of Revenue to distribute tax credits awarded under~~
~~this section to its partners or members in proportion to the~~
~~respective distributive share of such partners' or members'~~
~~income or loss in the state fiscal year in which such tax~~
~~credits were approved. A tax credit granted under this section~~
~~and applied against taxes imposed under this chapter shall be~~
~~carried forward only for a maximum of 5 state fiscal years~~
~~following the state fiscal year in which the credit was approved~~
~~Office of Film and Entertainment. The Department of Revenue may~~
~~adopt rules to administer this paragraph, as provided in~~
~~paragraph (6)(b).~~

~~(j) A company may use the tax credit against the tax~~
~~liability imposed under this chapter, in whole or in part, and~~
~~against the liability imposed under chapter 212.~~

~~(e) The Office of Film and Entertainment shall notify the~~
~~Office of Tourism, Trade, and Economic Development whether an~~
~~applicant meets the criteria for reimbursement and shall~~
~~recommend the reimbursement amount. The Office of Tourism,~~
~~Trade, and Economic Development shall make the final~~
~~determination for actual reimbursement.~~

~~(5) MARKETING REQUIREMENTS.--The Office of Film and~~
~~Entertainment shall ensure appropriate marketing materials,~~

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

468 including promotions of this state as a tourist or filming
469 destination, are required when appropriate to be included on
470 any filmed entertainment as a condition of receiving a tax
471 credit under this section. The Office of Film and
472 Entertainment shall consult with appropriate entities for the
473 development and implementation of marketing materials.

474 ~~(6)(5)~~ RULES POLICIES AND PROCEDURES.

475 (a) The Office of Tourism, Trade, and Economic Development
476 shall adopt rules pursuant to ss. 120.536(1) and 120.54 policies
477 and procedures to implement this section, including, but not
478 limited to, rules specifying requirements for the application
479 and approval process, records required for submission for
480 substantiation of credit awards for reimbursement, and
481 determination of and qualification for credit awards, and
482 marketing requirements for credit recipients reimbursement.

483 (b) The Department of Revenue may adopt rules to
484 administer the provisions of this section, including rules
485 governing the manner and form of documentation required to claim
486 tax credits granted or transferred under this section, and may
487 establish guidelines as to the requisites for an affirmative
488 showing of qualification for tax credits granted or transferred
489 under this section.

490 ~~(7)(6)~~ FRAUDULENT APPLICATION AND CLAIMS. (a) Any
491 applicant who submits an application under this section that
492 includes fraudulent information shall be liable for
493 reimbursement of the reasonable costs and fees associated with
494 its review, processing, investigation, and prosecution.

495 (b) An eligible entity or company that obtains a credit
496 payment under this section through a claim that it knows is
497 fraudulent is liable for reimbursement of the credit amount paid

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plus a penalty in an amount double the credit payment and reimbursement of reasonable costs, which penalty is in addition to any criminal penalty to which the entity or company is liable for the same acts, plus interest. The entity or company is also liable for costs and fees incurred by the state in investigating and prosecuting the fraudulent claim.

~~(8)(7)~~ ANNUAL REPORT.--The Office of Film and Entertainment shall provide an annual report for the previous fiscal year, due October 1, to the Governor, the President of the Senate, and the Speaker of the House of Representatives outlining the return on investment to the state on tax credits awarded funds expended pursuant to this section.

(9) REPEAL.--This section is repealed July 1, 2014.

Section 3. Subsection (5) of section 577.0135, Florida Statutes, is amended to read:

477.0135 Exemptions.--

(5) A license is not required of any individual providing makeup, special effects, or cosmetology services to an actor, stunt person, musician, extra, or other talent during a production recognized by the Office of Film and Entertainment as a qualified production as defined in s. 220.192 ~~288.1254(2)~~. Such services are not required to be performed in a licensed salon. Individuals exempt under this subsection may not provide such services to the general public.

Section 4. This act shall take effect July 1, 2006.

===== T I T L E A M E N D M E N T =====

Remove lines 3 through 11 and insert:

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1(for drafter's use only)

528 development; amending s. 212.08, F.S.; providing for
529 entertainment industry tax credits; providing
530 authorization and eligibility for credits; providing for
531 rules; amending s. 220.02, F.S.; adding reference to s.
532 220.192, F.S., in the order of application of credits
533 against corporate income tax or franchise tax;
534 transferring, renumbering, and amending s. 288.1264, F.S.;
535 revising the entertainment industry financial incentive
536 program to provide corporate income tax credits to
537 qualified entertainment entities rather than
538 reimbursements from appropriations; revising provisions
539 relating to definitions, creation and scope, application
540 procedures, approval process, eligibility, required
541 documents, qualified productions, rules, fraudulent
542 application and claims, and annual reports; providing
543 criteria
544

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. 1321

COUNCIL/COMMITTEE ACTION

| | | |
|-----------------------|-------|--|
| ADOPTED | ___ | (Y/N) |
| ADOPTED AS AMENDED | ___ | (Y/N) |
| ADOPTED W/O OBJECTION | ___ | <input checked="" type="radio"/> (Y/N) |
| FAILED TO ADOPT | ___ | (Y/N) |
| WITHDRAWN | ___ | (Y/N) |
| OTHER | _____ | |

Council/Committee hearing bill: Tourism Committee

Representative(s) *Davis* offered the following amendment to amendment 1:

Amendment

Remove line(s) 123 -126 and insert:

State, or payments to residents of this state in the form of salary, wages or other compensation, but excluding wages, salaries, and ~~or~~ other compensation paid to the two highest-paid residents of this state employees.

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 2 (for drafter's use only)

Bill No. 1321

COUNCIL/COMMITTEE ACTION

| | | |
|-----------------------|-----|----------------|
| ADOPTED | ___ | (Y/N) |
| ADOPTED AS AMENDED | ___ | (Y/N) |
| ADOPTED W/O OBJECTION | ___ | (<u>Y</u> /N) |
| FAILED TO ADOPT | ___ | (Y/N) |
| WITHDRAWN | ___ | (Y/N) |
| OTHER | ___ | |

Council/Committee hearing bill: Tourism Committee

Representative(s) *Davis* offered the following amendment to
amendment 1:

Amendment

Remove line 331 and insert:

production seasons in Florida if the application is received by
the Office

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HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 3 (for drafter's use only)

Bill No. 1321

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y)N
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

Council/Committee hearing bill: Tourism Committee

Representative(s) *Davis* offered the following amendment to
amendment 1:

Amendment

Remove line 442 - 446 and insert:

defined in s. 220.03(1)(e), shall elect to make an application,
~~a digital media effects company, or a qualified relocation~~
~~project applying for a payment under this section must submit~~
~~documentation for claimed qualified to the Department of Revenue~~
as set forth in paragraph (h) or distribute tax credits awarded
under

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COMMITTEE MEETING REPORT

Tourism Committee

3/21/2006 2:15:00PM

Location: 306 HOB

Other Business Appearance:

Tourism Day
Bud Nocera (Lobbyist) - Information Only
VISIT FLORIDA
661 East Jefferson Street, #300
Tallahassee Florida 32301
Phone: 850-488-5607 x 352

COMMITTEE MEETING REPORT

Tourism Committee

3/21/2006 2:15:00PM

Location: 306 HOB

Summary:

Tourism Committee

Tuesday March 21, 2006 02:15 pm

HB 925 Favorable

Yeas: 5 Nays: 0

HB 1321 Favorable With Committee Substitute

Yeas: 8 Nays: 0